

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2023 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
Public Employees Retirement System			
Salaries and wages	\$7,209,060	\$7,738,479	\$529,419
Operating expenses	2,396,236	2,542,712	146,476
Contingencies	250,000	250,000	
Defined benefit plan closure		372,027	372,027
Total all funds	\$9,855,296	\$10,903,218	\$1,047,922
Less estimated income	9,855,296	10,903,218	1,047,922
General fund	\$0	\$0	\$0
FTE	35.50	40.50	5.00
Bill total			
Total all funds	\$9,855,296	\$10,903,218	\$1,047,922
Less estimated income	9,855,296	10,903,218	1,047,922
General fund	\$0	\$0	\$0
FTE	35.50	40.50	5.00

Senate Bill No. 2023 - Public Employees Retirement System - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$7,209,060	\$1,262,868	\$8,471,928
Operating expenses	2,396,236	147,476	2,543,712
Contingencies	250,000		250,000
Defined benefit plan closure		1,006,839	1,006,839
Total all funds	\$9,855,296	\$2,417,183	\$12,272,479
Less estimated income	9,855,296	2,417,183	12,272,479
General fund	\$0	\$0	\$0
FTE	35.50	6.00	41.50

Department 192 - Public Employees Retirement System - Detail of Senate Changes

	Adds Funding for Costs to Continue Salaries¹	Adds Funding for Salary and Benefit Increases²	Adds Funding for Salary Equity Increases³	Adds Funding for FTE Positions⁴	Adds Funding for Contingent FTE Positions⁵	Adjusts Base Level Funding⁶
Salaries and wages	\$53,963	\$560,063	\$258,000	\$501,210		(\$110,368)
Operating expenses				2,175		16,301
Contingencies						
Defined benefit plan closure		35,412			\$643,427	
Total all funds	\$53,963	\$595,475	\$258,000	\$503,385	\$643,427	(\$94,067)
Less estimated income	53,963	595,475	258,000	503,385	643,427	(94,067)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	3.00	3.00	0.00

	Adds One-Time Funding for Contingent Temporary Staff ⁷	Adds Contingent One-Time Funding for the PERSLink Business System ⁸	Adds One-Time Funding to Upgrade the PERSLink Business System ⁹	Adds One-Time Funding for New FTE Position Operating Expenses ¹⁰	Total Senate Changes
Salaries and wages					\$1,262,868
Operating expenses			\$125,000	\$4,000	147,476
Contingencies					
Defined benefit plan closure	\$200,000	\$125,000		3,000	1,006,839
Total all funds	\$200,000	\$125,000	\$125,000	\$7,000	\$2,417,183
Less estimated income	200,000	125,000	125,000	7,000	2,417,183
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	6.00

¹ Funding is added for the cost to continue salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	Special Funds
Salary increase	\$379,719
Health insurance increase	<u>215,756</u>
Total	\$595,475

³ Funding is added for salary equity increases.

⁴ Funding is added for the following FTE positions:

	Special Funds
One FTE retirement processing position	\$215,357
One FTE receptionist position	125,711
One FTE member services representative position	<u>162,317</u>
Total	503,385

⁵ Funding is added for the following FTE positions, including \$640,352 for salaries and \$3,075 of related ongoing operating expenses. This funding is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

	Special Funds
One FTE benefit manager position	\$294,451
One FTE counselor position	186,359
One FTE member services representative position	<u>162,617</u>
Total	\$643,427

⁶ Base level funding is adjusted to add \$16,301 for Information Technology Department rate increases and to reduce temporary salaries by \$110,368 to provide a total of \$150,000 of ongoing funding for temporary salaries during the 2023-25 biennium.

⁷ One-time funding of \$200,000 is added for temporary salaries, which is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

⁸ One-time funding of \$125,000 is added to hire a third-party developer to modify the PERSLink business system software, which is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

⁹ One-time funding of \$125,000 is added to hire a third-party developer to upgrade the PERSLink business system software.

¹⁰ One-time funding of \$7,000 purchasing is added for chairs for new FTE positions. Of this amount, \$3,000 is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

This amendment also adds a section to identify \$1,006,839 appropriated in the defined benefit plan closure line item in Section 1 is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

Senate Bill No. 2023 - Public Employees Retirement System - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$7,209,060	\$8,471,928	(\$753,081)	\$7,718,847
Operating expenses	2,396,236	2,543,712	(2,725)	2,540,987
Contingencies	250,000	250,000		250,000
Defined benefit plan closure		1,006,839	(634,812)	372,027
Total all funds	\$9,855,296	\$12,272,479	(\$1,390,618)	\$10,881,861
Less estimated income	9,855,296	12,272,479	(1,390,618)	10,881,861
General fund	\$0	\$0	\$0	\$0
FTE	35.50	41.50	(2.00)	39.50

Department 192 - Public Employees Retirement System - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Funding for Salary Equity Increases ²	Removes an FTE Position ³	Removes a Contingent FTE Position ⁴	Restores Funding for Temporary Salaries ⁵	Removes One-Time Funding for New Position Operating Expenses ⁵
Salaries and wages	\$116,138	(\$258,000)	(\$161,592)		\$110,368	
Operating expenses			(725)			(\$2,000)
Contingencies						
Defined benefit plan closure	8,165			(\$162,317)		(1,000)
Total all funds	\$124,303	(\$258,000)	(\$162,317)	(\$162,317)	\$110,368	(\$3,000)
Less estimated income	124,303	(258,000)	(162,317)	(162,317)	110,368	(3,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(1.00)	(1.00)	0.00	0.00

	Removes Salary Funding for Funding Pool ⁷	Total House Changes
Salaries and wages	(\$559,995)	(\$753,081)
Operating expenses		(2,725)
Contingencies		
Defined benefit plan closure	(479,660)	(634,812)
Total all funds	(\$1,039,655)	(\$1,390,618)
Less estimated income	(1,039,655)	(1,390,618)
General fund	\$0	\$0
FTE	0.00	(2.00)

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

**Special
Funds**

Salary increase	\$129,155
Health insurance increase	<u>(4,852)</u>
Total	\$124,303

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding is removed for salary equity increases. The Senate added \$258,000 from special funds.

³ One FTE member services representative position and funding of \$162,317 from special funds, of which \$161,592 is for salaries and wages and \$725 is for operating expenses, is removed. The Senate added 3 FTE positions, including the FTE member services representative position, an FTE retirement processing lead position, and an FTE receptionist position.

⁴ One contingent FTE member services representative position and funding of \$162,317 from special funds, of which \$161,592 is for salaries and wages and \$725 is for operating expenses, is removed. The Senate added 3 contingent FTE positions, including the FTE member services representative position, an FTE benefit manager position, and an FTE counselor position. The contingent FTE positions are available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

⁵ Funding of \$110,368 from special funds for temporary salaries is restored by the House to provide a total of \$260,368 for temporary salaries. The Senate reduced \$110,368 of temporary salaries to provide a total of \$150,000 from special funds.

⁶ One-time funding of \$3,000 from special funds for chairs for new FTE positions is removed to provide a total of \$4,000. The Senate added \$7,000 from special funds for this purpose.

⁷ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

**Special
Funds**

New FTE positions	(\$819,278)
Vacant FTE positions	<u>(220,377)</u>
Total	(\$1,039,655)

This amendment also changes a section identifying the amount of funding that is appropriated in Section 1 that is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

Senate Bill No. 2023 - Public Employees Retirement System - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$7,209,060	\$8,471,928	(\$733,449)	\$7,738,479	\$7,718,847	\$19,632
Operating expenses	2,396,236	2,543,712	(1,000)	2,542,712	2,540,987	1,725
Contingencies	250,000	250,000		250,000	250,000	
Defined benefit plan closure		1,006,839	(634,812)	372,027	372,027	
Total all funds	\$9,855,296	\$12,272,479	(\$1,369,261)	\$10,903,218	\$10,881,861	\$21,357
Less estimated income	9,855,296	12,272,479	(1,369,261)	10,903,218	10,881,861	21,357
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	35.50	41.50	(1.00)	40.50	39.50	1.00

Department 192 - Public Employees Retirement System - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases¹	Reduces Funding for Salary Equity Increases²	Removes a Contingent FTE Position³	Removes Salary Funding for Funding Pool⁴	Reduces Funding for Temporary Salaries⁵	Removes One- Time Funding for New Position Operating Expenses⁶
Salaries and wages	\$116,138	(\$78,000)		(\$721,587)	(\$50,000)	
Operating expenses						(\$1,000)
Contingencies						
Defined benefit plan closure	8,165		(\$162,317)	(479,660)		(1,000)
Total all funds	\$124,303	(\$78,000)	(\$162,317)	(\$1,201,247)	(\$50,000)	(\$2,000)
Less estimated income	124,303	(78,000)	(162,317)	(1,201,247)	(50,000)	(2,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Total Conference Committee Changes
Salaries and wages	(\$733,449)
Operating expenses	(1,000)
Contingencies	
Defined benefit plan closure	(634,812)
Total all funds	(\$1,369,261)
Less estimated income	(1,369,261)
General fund	\$0
FTE	(1.00)

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	Special Funds
Salary increase	\$129,155
Health insurance adjustment	(4,852)
Total	\$124,303

The funding adjusted by the conference committee is the same as adjusted by House. The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for salary equity increases is reduced by \$78,000 to provide a total of \$180,000 from special funds. The Senate provided \$258,000. The House did not provide funding for salary equity increases.

³ One contingent FTE member services representative position and funding of \$162,317 from special funds, of which \$161,592 is for salaries and wages and \$725 is for operating expenses, is removed. The House also removed this position. The Senate added 3 contingent FTE positions, including the FTE member services representative position, an FTE benefit manager position, and an FTE counselor position. The contingent FTE positions are available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires.

⁴ Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	Special Funds
New FTE positions	(\$980,870)
Vacant FTE positions	(220,377)
Total	(\$1,201,247)

⁵ Funding from special funds for temporary salaries is reduced from the Senate version by \$50,000 to provide a total of \$100,000. The Senate reduced the base level of \$260,368 by \$110,368 to provide a total of \$150,000. The House restored the \$110,368 to the base level of \$260,368.

⁶ One-time funding of \$2,000 from special funds for chairs for new FTE positions is removed to provide a total of \$5,000. The Senate added \$7,000 from special funds for this purpose. The House removed \$3,000 to provide a total of \$4,000 from special funds.

The Conference Committee version:

- Restores 1 FTE member services representative position and funding of \$162,317 from special funds, of which \$161,592 is for salaries and wages and \$725 is for operating expenses, which was added by the Senate but removed by the House. The Senate, House, and Conference Committee also added an FTE retirement processing lead position and an FTE receptionist position.
- Amends a section identifying the amount of funding that is appropriated in Section 1 that is available to the Public Employees Retirement System only if the 2023 Legislative Assembly closes the main system defined benefit retirement plan to new hires, the same as amended by the House.